GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3335
ANSWERED ON:05.08.2016
North East Industrial and Investment Policy
Tasa Shri Kamakhya Prasad

Will the Minister of FINANCE be pleased to state:

(a) whether the North East Industrial and Investment Promotion Policy (NEIIPP), 2007 is in vogue for promotion of industries in North Eastern region and if so, the details thereof along with the funds allocated for the same for the last three years and the current year; and

(b) whether his Ministry received a communication from the Ministry of Commerce regarding allocation of additional funds for meeting committed liabilities accrued under various schemes of NEIIPP and if so, the response thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) To promote industrialization in the States of North Eastern Region leading to overall growth of the region, the Government announced a package of fiscal incentives, namely the North East Industrial and Investment Promotion Policy (NEIIPP), 2007, w.e.f. 01.04.2007 for a period of 10 years. The sunset clause for the scheme is 31.03.2017. Incentives/benefits available under the scheme include (i) Central Capital Investment Subsidy @ 30% of investment in Plant and Machinery, (ii) Central Interest Subsidy @ 3% of working capital loan availed for a period of 10 years from the date of commencement of commercial production (DOCP), (iii) reimbursement of insurance premium paid towards insurance of fixed capital assets for a period of 10 years from DOCP, (iv) Excise Duty exemptions based on "Value Addition" norms specified by Department of Revenue for a period of 10 years from DOCP and (v) 100% Income Tax exemption for a period of 10 years from DOCP.
Fresh registration of industrial units for claiming benefits of the schemes under NEIIPP, 2007 has been suspended w.e.f. 01.12.2014, since committed liabilities under the Package are far greater than Annual budget allocation. However, the scheme has neither been cancelled nor withdrawn. Allocation funds under NEIIPP, 2007 for the last three years and current year is as below:-

(Rs. in crore)

Financial Year	2013-14	2014-15	2015-16	2016-17
Allocation for NEIIPP,2007	150	221.90	200.00	170.00

(b) The First Supplementary Budget for 2016-17 has been placed in the Parliament.